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PETROLEUM ENGINEERS & CONSULTANTS
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October 1, 2004

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Amended Location and Additional Alternate Unit Wells
Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A and
Lower Cotton Valley Zone, Reservoir A,
HOSS RA SU84, CV RA SU93 & LCV RA SU76
HOSS RA SU85, CV RA SU100 & LCV RA SU78
HOSS RA SU89, CV RA SU94 & LCV RA SU77
Elm Grove Field, Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CAMTERRA RESOURCES, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to, and the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, Elm Grove Field, Caddo Parish, Louisiana:

FOR HOSS RA SU84, CV RA SU93 & LCV RA SU76:

1. To amend the approved locations for the proposed Camterra Resources, Inc. – Jeter 24 No. 1, Jeter 24 No. 2, John Place 24 No. 2 Well and Lieber 19-1 Well, and to approve six (6) additional alternate unit wells, five (5) of which are in exception to the well spacing provisions of the 361-A, 361-B and the 361-E Series of Office of Conservation Orders, for the production of gas and condensate for the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, reservoir A, in the units designated HOSS RA SU84, CV RA SU93 and the LCV RA SU76, Elm Grove Field, Caddo Parish, Louisiana, such unit and well shown on the attached plats and being made a part hereof.

FOR HOSS RA SU85, CV RA SU100 & LCV RA SU78:

1. To amend the approved location for the proposed Camterra Resources, Inc. – Jeter 25 No. 1, Leiber 25 No. 1 Well, the Leiber 25 No. 2 Well, Sorenson 25 No. 2 Well, Sorenson 25 No. 4 Well and the Sorenson 25 No. 5 Well, and to approve 10 additional alternate unit wells, nine (9) of which are in exception to the well spacing provisions of the 361-A, 361-B and the 361-E Series of Office of Conservation Orders, for the production of gas and condensate for the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, reservoir A, in the units designated HOSS RA SU85, CV RA SU100 and the LCV CV RA SU75, Elm Grove Field, Caddo Parish, Louisiana, such unit and well shown on the attached plats and being made a part hereof.

FOR HOSS RA SU89, CV RA SU94 & LCV RA SU77:

1. To amend the approved location for the proposed Camterra Resources, Inc. – Jeter 23 No. 1, and Egan No. 23 No. 2 Well and to approve seven (7) additional alternate unit wells, five (5) of which are in exception to the well spacing provisions of the 361-A and 361-B Series of Office of Conservation Orders, for the production of gas and condensate for the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and to approve nine (9) additional alternate unit wells, eight (8) of which are in exception to the spacing provisions of the 361-E Series of Office of Conservation Orders, for the Lower Cotton Valley Zone, reservoir A, in the units designated HOSS RA SU89, CV RA SU94 and the LCV RA SU77, Elm Grove Field, Caddo Parish, Louisiana, such unit and well shown on the attached plats and being made a part hereof.

FOR HOSS RA SU84, CV RA SU93 & LCV RA SU76, FOR HOSS RA SU85, CV RA SU100 & LCV RA SU78 and the FOR HOSS RA SU89, CV RA SU94 & LCV RA SU77:

1. To find that additional alternate unit wells at the location shown on the attached plats are necessary to drain a portion of each unit that cannot be drained by any existing well located within each unit.
2. To permit the unit operator to produce the assigned unit allowable from the unit well, the alternate unit wells or from a combination of all wells at its discretion.
3. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Hosston Zone, Reservoir A, was defined in the 361-A Series of Office of Conservation Orders, the Cotton Valley Formation, Reservoir A, was defined in the 361-B Series of Office of Conservation Orders and the Lower Cotton Valley Zone, Reservoir A, was defined in the 361-E Series of Office of Conservation Orders in the Elm Grove Field, Bossier, Caddo and Webster Parishes, Louisiana.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party**.

The subject matter of this hearing does not require a pre-application notice.

Hon. James H. Welsh
Elm Grove Field
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Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

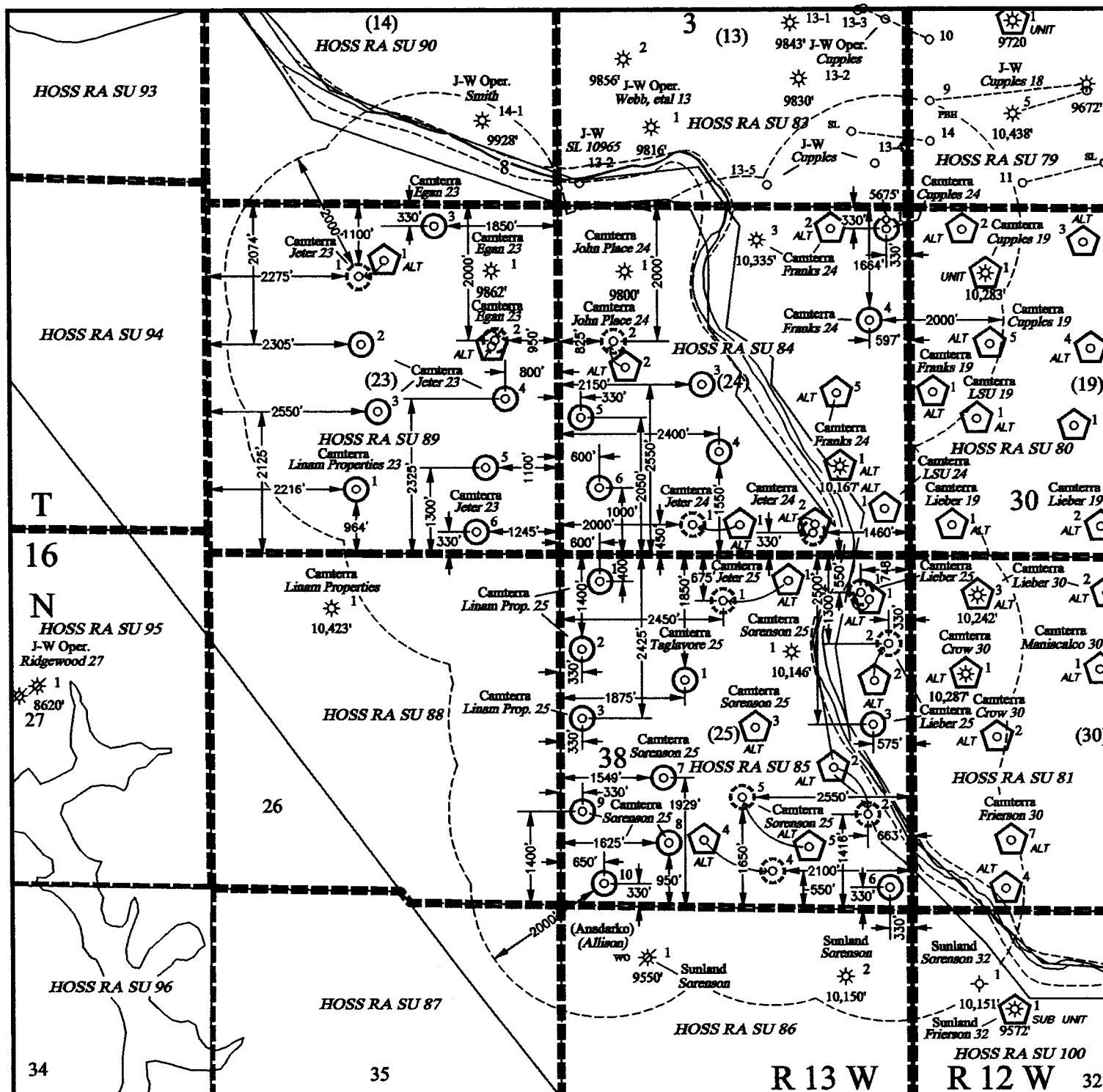
Our checks, made payable to the Office of Conservation, is attached to cover the applicable hearing fee.

Yours truly,

A handwritten signature in black ink, appearing to read "B. F. Anderson", with a long horizontal flourish extending to the right.

B. F. Anderson, PE for
CAMTERRA RESOURCES, INC.

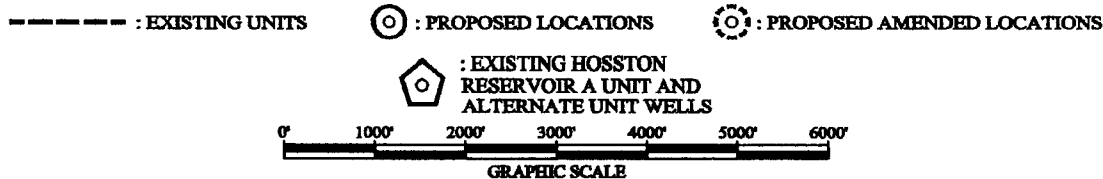
cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (wo/encl.)
Camterra Resources, Inc. (w/encl.)

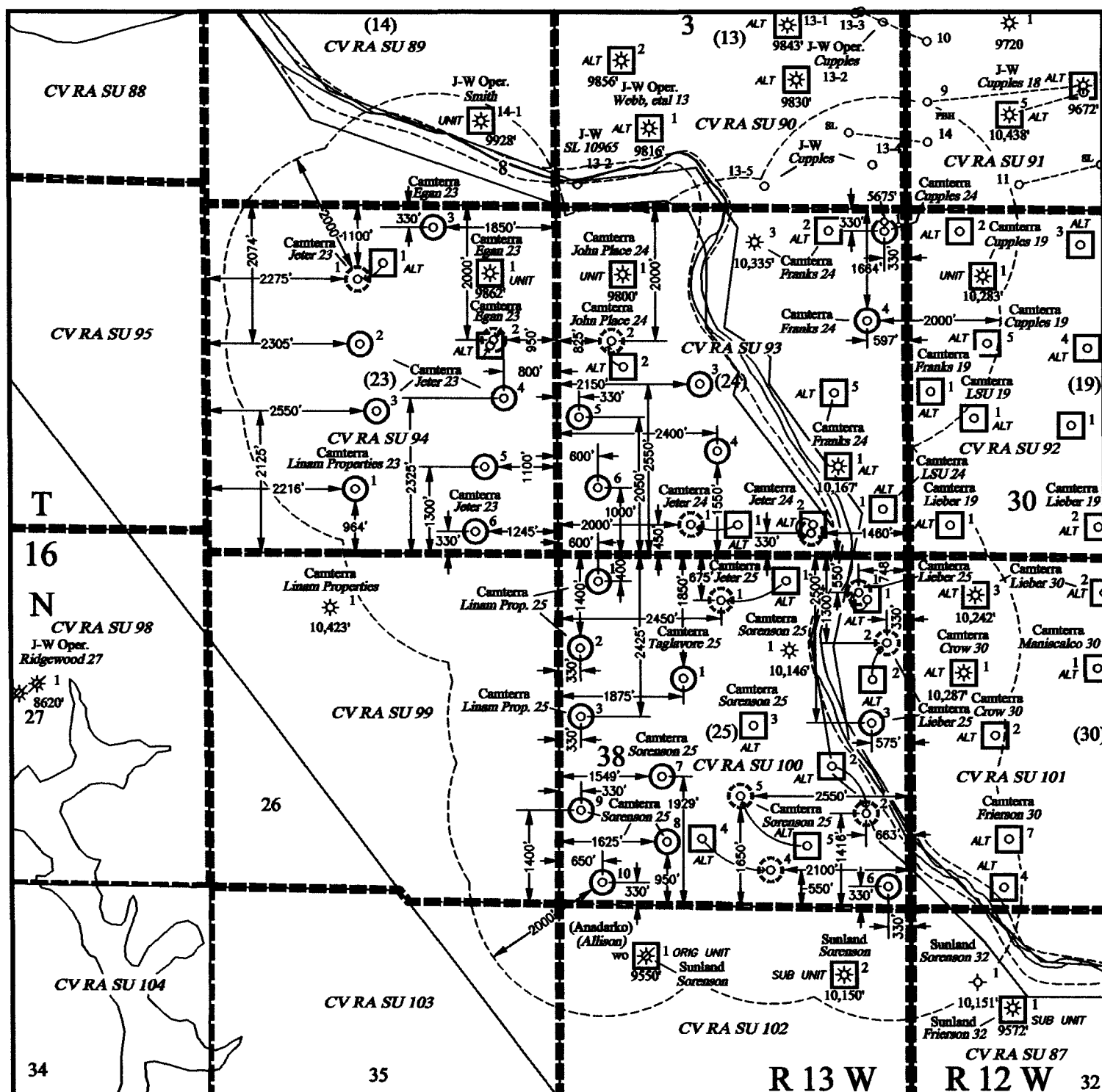


CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDOPARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS & ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION AND PROPOSED AMENDED LOCATIONS OF APPROVED ALTERNATE UNIT WELLS & ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION FOR
HOSSTON RESERVOIR A SAND UNITS 84, 85, & 89

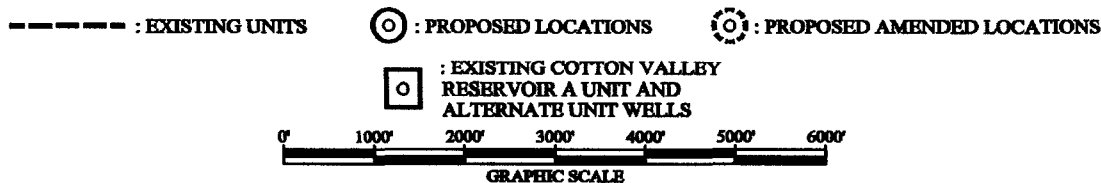


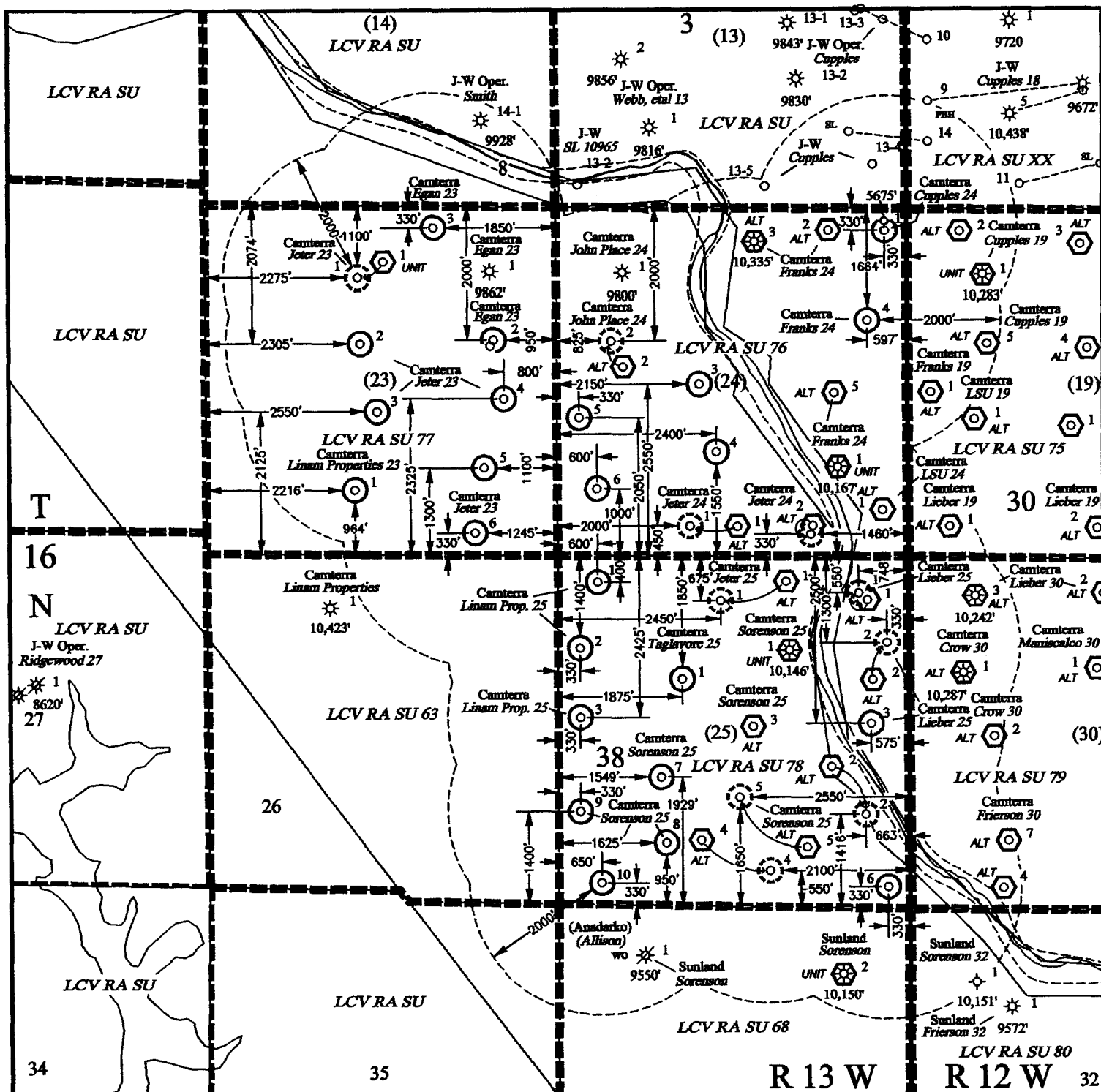


CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDO PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS & ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION AND PROPOSED AMENDED LOCATIONS OF APPROVED ALTERNATE UNIT WELLS & ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION FOR COTTON VALLEY RESERVOIR A SAND UNITS 93, 94, & 100





CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDO PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS & ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION AND PROPOSED AMENDED LOCATIONS OF APPROVED ALTERNATE UNIT WELLS & ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION FOR LOWER COTTON VALLEY RESERVOIR A SAND UNITS 76, 77, & 78

